

Audit's® NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

October 27, 1978
Priced as of Oct. 24

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VOL. IX, No. 20

INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: KEEP YOUR POWDER DRY IN THIS SLAUGHTER OF THE INNOCENTS

Realty trust prices fell 6½% the past month, vs. a 4.3% slump in the Dow-Jones Industrials (table, p. 3). The overall market has scored only one small advance in the eight trading days since the Federal Reserve Board jumped its discount rate on loans to banks to a record 8½% after the close on Friday, Oct. 13.

This was the sixth discount jump this year but it clearly caught the market by surprise. Moreover President Carter's inflation taming package is turning out to be largely a rehash of discredited measures from the past. The President now is silent on the balanced budget he promised as a

candidate. The budget deficit will be "cut" to \$30 billion and the money markets take this to mean full speed ahead for the printing presses.

This means that the Fed will again take the lead in fighting inflation by tightening credit. Respected interest analyst Henry Kaufman is quoted as seeing ample credit availability with "substantial" rate escalation ahead probably through mid-1979.

Realty trust stocks have plummeted in this environment because the market still views them as money-market stocks even though many are no longer vulnerable at all or have limited exposure. Prices of dividend payers have dropped

(Turn page)

KEEPING UP WITH OUR SISTER SERVICES

REAL ESTATE DISCLOSURE DIGEST's Oct. 20 issue looks at impact of the pending tax bill on real estate, explores impact of U.S. Home Corp. becoming the first builder to sell mortgage backed securities, and John White's view of realty markets. Copy \$6 prepaid

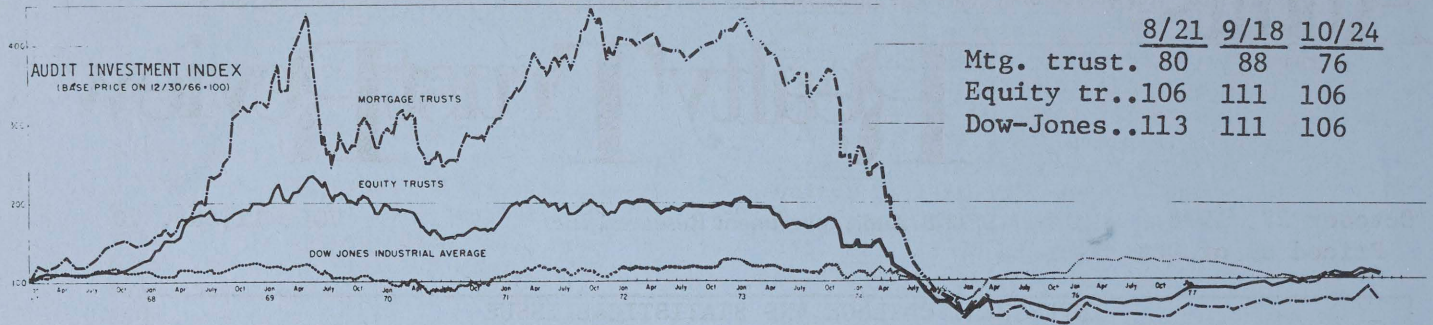
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because the capitalized value of dividends is lower --- even when dividends are rising. Thus some strong No. 1-ranked trusts fell even after dividend raises. Examples: Lomas & Net. Mtg., off 2%; Conn Gen Mtg., off 3½% on a 13% dividend boost; PNB Mtg. & Rl., off 10% on a 10% dividend hike; and United Rlty., down 15% on a 5% dividend raise.

But low-priced recovery stocks, mostly those on page 5, absorbed big percentage losses on their lower prices because as we've said many times, it makes no sense at all to hold unproductive stocks when interest rates soar. Some big losers were Citizens Mtg., off 66% on its Ch. X filing (RTR Oct. 13), and Lifetime Communities, off 50%. But 20% and 30% losses were common.

Swimming against this tide was New Plan Realty, up 21% on its split news; U.S. Bancorp., up 14% on strong cash flow gains (p.7); and C.I. Mtg. on pending swaps to banks.

We haven't changed Relative Appeal Rankings because they already contemplated higher rates (see RTR, Sept. 8). Rather this unfolding credit cycle is going to open major buying opportunities in weeks and months ahead. So here is what we suggest:

1. Cut back margin credit sharply if you haven't already done so. Don't expose yourself to margin calls.

2. Build cash reserves; our target is 50% of positions and we'd sell non-dividend payers to lighten up.

3. Consider averaging down in strongest stocks as shown in our Relative Appeal Rankings. Many of these stocks are thin and you won't get a good buying opportunity once the credit fears start abating.

TENDERS/EXCHANGE OFFERS: GMR PROPERTIES READIES EXCHANGE; MIDLAND SEES CONVERT

GMR Properties plans to offer to exchange \$1,025 face amount of a new 8½% senior subordinated debenture due 1987 plus 50 shares of stock for each \$1,000 face amount of 7.7% senior subordinated notes due Feb. 1, 1980. The seven-year stretch would let the trust liquidate holdings of land and long-term mortgages without distress.

Midland Mortgage Investors will ask holders of its 8% senior subordinated notes due March 1, 1980 to exchange for a new convertible maturing 1990, with rates and conversion price to be supplied by amendment. Midland recently repaid all bank debt.

MERGERS/ACQUISITIONS: EASTOVER CORP. BUYS STAKE IN ICM REALTY & SEEKS SEAT

Eastover Corp. picked up its second large acquisition of blocks of trust shares by paying about \$1.5 million for about 160,000 sh. or 5.3% of ICM Realty. Eastover disclaimed any present intention to acquire control of the recovering land purchase/leaseback trust but said it would seek board representation. ICM hasn't said what it will do. Formerly First Commerce Realty, Eastover recently bought 13½% of Texas First Mortgage shares.

KEEPING UP: NEW PREFERRED STOCKS AND REIT FUNDS ADDED TO STATISTICAL TABLES

We've added two new trust preferred stocks resulting from restructuring of Colwell Mtg. and TRECO plus two REIT funds. Details will be in the next issue.

DIVIDEND TRENDS: FIRST SPLITS IN TWO YEARS AND 11 INCREASES OVERSHADOW ONE OMISSION

Income investors had their best month in years in October as 11 trusts raised their payouts from the previous quarter and two trusts posted rare stock splits. The last stock split was in June 1976 and the splits are more evidence of new buoyancy in REIT equity markets.

New Plan Realty will split 3-for-2 and posted a 6% boost in the payout. New Plan had also split in 1976. Real Estate Investment Properties, formed in 1977 merger of two trusts named Vagabond, splits 2-for-1 to increase float.

Big percentage increases from the previous quarter included U.S. Bancorp M&R, up 25%; M&T Mortgage, up 15% plus a 5¢ year-end extra; Connecticut Gen. Mtg., up 13% to the expected \$1.80 annual rate (RTR, July 28); 11% by both

Trust	Record date	--Quarterly dividend/share--			-% Chng. from-	
		Latest	Previous	Year-ago	Prev.Q	Yr-ago
American Equity Inv...	10/20	\$0.30	\$0.30	\$0.16	UC	+88%
Baird & Warner M&R...	-----	Omitted	0.035	0.035	-100%	-100
Connecticut Gen. M&R...	10/27	0.45	0.40	0.40	+13	+13
Consolidated Cap. Rl...	10/17	0.1716M	0.17	0.17	+1	+1
Equitable Lf. Mtg.....	10/13	0.50	0.50	0.55	UC	-9
Hotel Investors.....	10/18	0.45	0.45	0.42	UC	+7
JMB Realty.....	10/13	0.50	0.45	0.40a	+11	+25
Lomas & Net. Mtg. Inv...	10/20	0.48	0.45	0.40	+7	+20
M&T Mtg. Inv.....	10/6	0.30+0.05Ex	0.26	0.26	+15	+15
Miller (Henry S.) Rlty...	10/10	0.25	0.25	0.15	UC	+67
New Plan Realty.....	11/15	0.09M	0.085M	0.085M	+6	+6
New Plan Realty.....	11/15	3-for-2 split	(New rate 6¢ monthly)	or \$0.72 ann.	UC	ann.
NW Mutual Life M&R.....	10/20	0.25	0.25	0.25	UC	UC
PNB Mtg. & Realty.....	10/30	0.22	0.20	0.20	+10	+10
Real Est. Inv. Props....	11/1	2-for-1 split				
Real Est. Inv.Tr.Amer...	10/17	0.30	0.30	0.30	UC	UC
Riviere REIT.....	10/10	0.15	0.14	0.125	+7	+20
Sutro Mtg. Inv. Trust...	11/3	0.25	0.225	0.20	+11	+25
U.S. Bancorp R&M.....	10/9	0.20	0.15	None	+25	+100
United Realty Trust.....	10/20	0.21	0.20	0.20	+5	+5
Wells Fargo M&E.....	11/3	0.30	0.30	0.30	UC	UC

UC=Unchanged. M=Monthly dividend. Trusts with reductions from previous quarter underlined. a=Plus 10¢ extra last year (JMB).

JMB Realty and Sutro Mtg.; and 10% by PNB Mtg. & Realty. Five other trusts raised by less than 10%.

Only sour note came from Baird & Warner M&R which omitted. B&W had been pay-one year's taxable earnings in the following; a loss in the July 1978 year forced the cut. Internal cash flow is improving.

COMPARATIVE TRUST GROUP AVERAGE 10/24/78

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2170	11.27	1.03	1.12	13.49	-0.8	6.0	12.0	7.6	19.7	10.0	672.1
-SMALL	7	0	7	886	12.73	1.30	1.58	13.29	0.2	12.9	8.4	9.8	4.4	12.4	76.3
-SUBOR LAND	3	0	3	1862	16.11	1.15	1.62	11.79	-1.9	-0.3	7.3	9.7	-26.8	10.0	58.6
AVERAGE 3 PROP GROUPS			31	1850	12.06	1.10	1.27	13.27	-0.7	6.9	10.4	8.3	10.1	10.6	807.0
PROP & MTG COMBINATION	15	9	24	2150	9.67	0.42	0.65	7.69	-5.0	15.1	11.8	5.5	-20.5	6.7	443.1
SHORT-TERM MTG	11	0	11	1757	14.99	0.61	0.72	9.16	-7.3	10.3	12.8	6.6	-38.9	4.8	194.1
LONG-TERM MTG/PROP	13	0	13	3448	14.69	0.98	0.94	10.27	-8.5	-12.4	10.9	9.5	-30.1	6.4	456.8
MTG/FCLSD PROP-MISC	8	7	15	2717	4.70	0.00	0.51	3.20	-17.1	30.4	6.2	0.0	-31.9	11.0	129.5
-BANK	0	16	16	2060	3.09	0.00	0.21	3.31	-16.5	35.6	16.1	0.0	7.3	6.7	90.8
-INDEPEND	0	31	31	3240	0.81	0.00	0.20	2.16	-19.9	44.6	10.8	0.0	167.7	24.8	166.7
AVERAGE 3 MTG/FCLSD PROP			62	2809	2.33	0.00	0.27	2.70	-18.1	37.5	9.7	0.0	15.9	11.9	387.0
OVERALL AVERAGE	78	63	141	2463	7.85	0.45	0.65	7.08	-6.5	9.6	10.8	6.4	-9.8	8.4	2288.0
DOW-JONES INDUSTRIAL AVERAGE						91.37	832.55	-4.3		0.3	9.1	5.7			

*Latest quarter annualized

STRAIGHT BONDS

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
BARNETT MTG-C	OC	6.75	'91	5.4	56.00	-9.6	DEF	MTG INV WASH-BG	OC	9.25	'80	15.0	82.00	10.8	11
BARNETT MTG-CD	OC	8.50	'98	9.6	90.00	-2.1	DEF	NATIONWIDE RE-C	OC	7.00	'91	6.5	77.00	0.0	9
BARNETT-WIN-CE	OC	8.25	'98F	18.3	94.00	-6.8	DEF	NJB PRIME INV-C	OC	7.00	'80F	4.7	45.00	-4.2	VJ
BAY COLONY PROP-B	PS	8.50	'89	17.0	69.00	-5.4	12	NO AMER MTG-B	PS	8.50	'87	12.1	72.00	-1.3	11
BAY COLONY PROP-C	NY	8.50	'81F	6.8	85.00	0.3	10	NO AMER MTG-C	NY	5.50	'79	16.3	87.50	-3.7	6
BT MTG INV-C	OC	5.75	'82	19.4	64.00	1.6	9	REALTY REFUND-C	NY	12.00	'98	15.0	99.00	-5.2	12
CHASE MAN TR-A	OC	7.88	'78F	36.7	77.00	-4.8	DEF	SAUL (B.F.)-C	NY	8.50	'80	25.0	91.50	-2.2	9
CHASE MAN TR-C	OC	7.50	'83	41.2	32.00	-21.9	23	SECURITY MTG-#	AS	7.25	'82	50.0	86.88	-1.7	8
CITIZNS MTG INV-B	OC	8.50	'80	20.0	37.00	-13.9	VJ	SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	0.0	9
CONT ILL RLTY-B	NY	7.63	'79	25.0	91.00	-0.4	8	SO ATLANTIC-C#	NY	6.75	'82F	16.9	68.50	-5.7	9
COUSINS M&E-C	NY	6.50	'82F	30.0	62.00	-15.7	10	STATE MUT INV-B	NY	9.00	'80F	6.2	92.38	-2.7	9
FIRST MTG INV-A	OC	6.75	'82	9.1	53.00	6.0	12	TRI-SOUTH MTG-B	NY	7.75	'80F	19.3	87.00	-5.3	DEF
FIRST NEWPORT-B	OC	8.75	'79	7.4	89.00	4.7	9								
FIRST VIRGINIA	OC	4.00	'80	15.0	75.00	2.7	5								
FIRST VIRGINIA-BM	OC	8-12	'80	5.0	85.00	0.0	9								
GMR PROPERTIES-C	AS	7.70	'80	20.0	82.00	-8.3	9								
GREAT AMER MGMT-B	OC	7.55	'79	25.0	37.00	-7.4	VJ								
GREAT AMER MGMT-C	OC	8.75	'83	25.0	22.00	10.0	VJ								
GROWTH RLTY-C	NY	6.75	'82	9.2	76.75	-2.7	8								
GUARDIAN MTG-B	OC	7.50	'79	25.0	40.00	-19.9	VJ								
GUARDIAN MTG-C#	OC	6.75	'86	8.6	26.00	-13.2	VJ								
IDS REALTY-H	OC	---	---	127.8	63.00	-4.4	NC								
INSTIHL INV-B	NY	7.88	'80	20.0	85.88	-4.4	9								
JUSTICE MTG-B	OC	7.75	'79	9.6	57.00	3.6	VJ								
MIDLAND MTG-B	NY	8.00	'80	17.1	81.00	-3.5	9								

PH-PHILADELPHIA EXCHANGE

PS-PACIFIC EXCHANGE

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$1.62. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND AND APRIL. H-FIVE SERIES. A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.
X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.
#MAY BE USED AT PAR TO EXERCISE WARRANTS.
F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS													
NR	AMER EQUITY IT#	OC-AEQTS	2497	6.64	0.90 ↑ JUN	1.34	8.75 X	9.7	52.2	6.5	10.3	31.8	20.2 21.8
3N	API TRUST	OC-APITS	1012	7.30	0.00 JUN	0.32 ↑ 2.50	-28.6	-41.2	7.8	0.0	-65.8	4.4	2.5
NR	CMNWLTH RLTY #	OC-CRTC	1180	6.24	0.80 MAY	0.77 10.00	-4.8	11.1	13.0	8.0	60.3	12.3	11.8
4	CONSOL CAP RLY#	OC-CCPLS	1989	17.99	2.06 ↑ MAY	1.68 27.00 X	0.6	0.0	16.1	7.6	50.1	9.3	53.7
2	CONT ILL PROP#	NY-CIE	4808	19.66	1.28 JUL	1.42 14.75 X	-8.7	-4.8	10.4	8.7	-25.0	7.2	70.9
2	DENVER REIA#	OC-DENVS	1101	8.06	0.72 MAR	0.84 10.38	-4.6	23.9	12.4	6.9	28.8	10.4	11.4
2	FEDERAL REALTY	AS-FRT	1457	9.90	1.36 JUN	1.16 18.25	-1.4	12.3	15.7	7.5	84.3	11.7	26.6
3	FIRST FIDELITY#	OC-FFITS	866	9.90	0.40 MAY	0.00 10.75	-8.5	90.9	0.0	3.7	8.6	0.0	9.3
2	FIRST UNION #	NY-FUR	4270	8.63	1.08 JUL	1.39 11.50 X	-1.9	-10.7	8.3	9.4	33.3	16.1	49.1
2	FLORIDA GULF#	OC-CGLFS	995	14.59	1.28 JUL	1.48 ↑ 14.50	3.6	3.6	9.8	8.8	-0.6	10.1	14.4
1	GENERAL GROWTH#	NY-GGP	6202	6.38	1.56 JUN	1.73 24.50	-11.7	1.5	14.2	6.4	284.0	27.1	151.9
2	GOULD INVESTOR#	AS-GTR	1174	6.97	0.88 JUN	1.20 9.50	0.0	35.7	7.9	9.3	36.3	17.2	11.2
2	GREIT REALTY #	AS-GRT	998	11.31	0.40 JUL	0.88 6.38 X	3.7	0.0	7.3	6.3	-43.6	7.8	6.4
2	HUBBARD REI	NY-HRE	4004	22.84	1.44 JUL	1.72 17.38	-2.1	-2.1	10.1	8.3	-23.9	7.5	69.6
2	NEW PLAN RLTY#	OC-NPLNS	1690	4.24	1.08 APR	1.06 13.25 X	21.2	8.2	12.5	8.2	212.5	25.0	22.4
2	PENN REIT #	AS-PEI	1516	12.92	1.25 MAY	2.00 15.38	-0.8	7.9	7.7	8.1	19.0	15.5	23.3
NR	PRUDENT REIT#	AS-PRU	3146	2.30	0.24 MAY	0.28 4.00	-11.1	52.1	14.3	6.0	73.9	12.2	12.6
3	REIT OF AMERICA	AS-REI	1633	21.59	1.20 ← AUG	1.12 15.50 X	-1.3	6.9	13.8	7.7	-28.2	5.2	25.3
2	SAN FRAN RE #	AS-SFI	1376	19.91	1.20 JUN	1.32 16.38	-1.5	8.3	12.4	7.3	-17.7	6.6	22.5
NR	UNIVERSITY REIT	OC-URETS	2133	7.76	0.72 MAR	0.36 9.50	0.0	-9.5	26.4	7.6	22.4	4.6	20.3
2	WASH REIT #	AS-WRE	1518	11.48	1.80 MAR	1.52 23.13	-1.6	-4.1	15.2	7.8	101.5	13.2	35.1
GROUP AVERAGE		2170	11.27	1.03		1.12 13.49	-0.8	6.0	12.0	7.6	19.7	10.0	672.1
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
NR	GENERAL RE #	OC-GRELS	557	7.86	1.12 JUN	1.42 7.50 X	4.4	25.0	5.3	14.9	-4.6	18.1	4.2
3	HOTEL INVESTOR#	AS-HOT	1558	17.30	1.80 ← MAY	2.00 18.88 X	-2.8	11.1	9.4	9.5	9.1	11.6	29.4
NR	PITTS & W VA RA	AS-PW	1510	22.72	0.56 JUN	0.80 6.13	-1.9	-22.2	7.7	9.1	-73.0	3.5	9.3
NR	RE INV PROPS #	OC-REIPS	480	15.09	2.12 JUN	2.24 22.50	0.0	12.5	10.0	9.4	49.1	14.8	10.8
NR	REIT OF CALIF	OC-RTCAL	550	8.99	1.20 JUN	1.36 15.00	0.0	20.0	11.0	8.0	66.9	15.1	8.3
NR	TERRYDALE R#	OC-TRYLS	336	13.77	1.60 MAR	2.24 15.50	-6.1	14.8	6.9	10.3	12.6	16.3	5.2
NR	US EQUITY & MTG	OC-USEM	1214	3.35	0.68 ↑ JUL	1.03 ↑ 7.50	7.1	36.4	7.3	9.1	123.9	30.7	9.1
GROUP AVERAGE		886	12.73	1.30		1.58 13.29	0.2	12.9	8.4	9.8	4.4	12.4	76.3
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
2	ICM REALTY	AS-ICM	3011	15.13	0.24 AUG	0.96 9.38	1.4	34.0	9.8	2.6	-38.0	6.3	28.2
2	JMB REALTY	OC-JMBRS	510	19.53	2.00 ↑ MAY	2.69 15.00 X	-7.5	-9.1	5.6	13.3	-23.2	13.8	7.7
3	PROPERTY CAPITL	AS-PCL	2065	13.68	1.20 JUL	1.20 11.00	-1.2	-8.3	9.2	10.9	-19.6	8.8	22.7
GROUP AVERAGE		1862	16.11	1.15		1.62 11.79	-1.9	-0.3	7.3	9.7	-26.8	10.0	58.6
PROPERTY & MTG COMBINATION													
2	BANKAMER RLTY	OC-BRLTS	3547	16.92	1.00 JUL	1.48 11.50	-19.3	9.5	7.8	8.7	-32.0	8.7	40.8
3N	BRT REALTY	AS-BRT	1400	3.01	0.00 MAY	0.26 1.75	-22.2	153.6	6.7	0.0	-41.9	8.6	2.5
1	CONN GEN M&R#	NY-CGM	5719	18.96	1.80 ↑ JUN	2.00 18.63 X	-3.4	-11.3	9.3	9.7	-1.7	10.5	106.5
2	FLATLEY RLTY #	OC-FLTLS	1000	7.04	0.20 JUN	0.68 ↑ 4.00	-11.1	23.1	5.9	5.0	-43.2	9.7	4.0
2N	INDIANA M&R #	OC-INDMS	1154	8.78	0.00 JUN	0.37 4.00	-22.0	14.3	10.8	0.0	-54.4	4.2	4.6
2	INVESTORS RL#	AS-IRT	1579	10.92	0.60 AUG	0.72 ↑ 8.25	-4.4	10.0	11.5	7.3	-24.5	6.6	13.0
2	MILLER HENRY S	OC-HSMTS	560	16.95	1.00 ← AUG	2.97 ↑ 14.00 X	5.6	40.0	4.7	7.1	-17.4	17.5	7.8
1	MORTGAGE GROWTH	AS-MTG	2627	10.65	0.64 AUG	0.52 7.13 X	-8.9	24.0	13.7	9.0	-33.1	4.9	18.7
2	PROP TR AMER#	OC-PTRAS	2338	7.37	0.28 JUN	0.24 4.88	-2.4	-4.9	20.3	5.7	-33.8	3.3	11.4
3	REALTY INCOME	AS-RIT	1566	9.43	1.40 JUL	0.00 12.25	-3.0	-4.9	0.0	11.4	29.9	0.0	19.2
NR	RIVIERE RLTY #	OC-RIVI6	783	8.57	0.60 ↑ JUN	0.96 6.00 X	2.5	9.1	6.3	10.0	-30.0	11.2	4.7
3N	SAUL (BF) REIT	NY-BFS	5859	5.08	0.00 JUN	0.00 5.75	-19.4	35.3	0.0	0.0	13.2	0.0	33.7
2	US BANCORP #	AS-UBT	840	17.03	0.80 ↑ AUG	1.76 ↑ 14.88 X	13.8	48.8	8.5	5.4	-12.6	10.3	12.5
2	VIRGINIA REI#	OC-VARES	1251	10.08	0.60 JUN	0.00 12.00	2.1	54.8	0.0	5.0	19.0	0.0	15.0
3	WELLS FARGO M&E	NY-WFM	3917	17.48	1.20 ← SEP	1.68 ↑ 13.75	-2.7	3.8	8.2	8.7	-21.3	9.6	53.9
GROUP AVERAGE		2276	11.22	0.67		0.91 9.25	-3.1	14.7	10.2	7.3	-17.5	8.1	348.3
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
3N	BAIRD & WARNER	OC-BAIDS	1043	15.86	0.00 ↓ JUL	0.00 8.00	-13.5	33.3	0.0	0.0	-49.6	0.0	8.3
2N	CENTRAL MTG	OC-CMRTS	775	12.28	0.00 JUN	0.38 ↑ 5.50	-18.5	41.8	14.5	0.0	-55.2	3.1	4.3
2	FIRST CONTNL	OC-FCRES	2106	10.32	1.00 AUG	1.04 7.75 X	-8.6	-8.8	7.5	12.9	-24.9	10.1	16.3
2	FRASER MTG	OC-FRASS	1038	16.64	1.12 MAY	0.71 11.50 X	2.4	2.2	16.2	9.7	-30.9	4.3	11.9
2N	HANOVER SQ RLTY	AS-HSQ	946	11.25	0.00 MAY	0.12 6.63	-10.2	26.3	55.3	0.0	-41.1	1.1	6.3
1	LOMAS & NETLITN	NY-LOM	3700	27.80	1.92 ↑ SEP	1.92 ↑ 18.13 X	-2.1	-8.8	9.4	10.6	-34.8	6.9	67.1
2	M&T MORTGAGE	OC-MTMS	1482	10.27	1.20 ↑ AUG	1.24 ↑ 9.25 X	-9.7	-7.5	7.5	13.0	-9.9	12.1	13.7
2N	MTG TRUST AMER	NY-MT	3860	12.91	0.00 AUG	0.56 ↓ 6.63	-11.6	10.5	11.8	0.0	-48.6	4.3	25.6
2	NATIONWIDE RE	OC-NRELS	1047	24.36	0.44 JUN	0.56 14.25	-0.9	78.1	25.4	3.1	-41.5	2.3	14.9
2	SUTRO MTG INV	NY-SUT	2322	15.43	1.00 ↑ SEP	1.28 ↑ 9.50	-16.5	1.3	7.4	10.5	-38.4	8.3	22.1
2N	WESTERN MTG	BO-WMTGS	1003	7.77	0.00 MAY	0.08 3.63	-9.3	11.7	45.4	0.0	-53.3	1.0	3.6
GROUP AVERAGE		1757	14.99	0.61		0.72 9.16	-7.3	10.3	12.8	6.6	-38.9	4.8	194.1
LONG-TERM MTGS & PROPERTIES													
3N	BT MTG INVSTRS	NY-BTM	2116	-2.94	0.00 JUN	0.00 2.00	-27.3	-11.1	0.0	0.0	-0.0	-0.0	4.2
NR	DEL-VAL FIN CP*	OC-DVALS	905	9.36	1.38 MAR	1.24 11.25 X	-5.3	-16.7	9.1	12.3	20.2	13.2	10.2
3	EQUIT LF MTG	NY-EQ	5663	23.43	2.00 ← JUL	2.16 18.75 X	-6.7	-28.2	8.7	10.7	-20.0	9.2	106.2
1	HOSPITAL MTG#	AS-HMG	1178	22.54	0.60 AUG	0.60 10.50 X	-16.5	15.0	17.5	5.7	-53.4	2.7	12.4
1	MASSMUTUAL MTG	NY-MML	4670	19.63	1.36 JUL	1.33 14.25	-3.4	-7.3	10.7	9.5	-27.4	6.8	66.5
3	MONY MTG INV	NY-MYM	8935	9.82	0.92 AUG	0.68 8.88 X	-6.6	-11.2	13.1	10.4	-9.6	6.9	79.3
1	NOWSTRN MUT MT	NY-NML	4758	18.97	1.00 ← SEP	0.68 ↓ 10.88 X	-10.1	-11.2	16.0	9.2	-42.6	3.6	51.8
1	PACIFIC SO MTG	OC-PSMTS	800	11.92	0.60 JUN	0.60 7.00	-17.6	3.7	11.7	8.6	-41.3	5.0	5.6
1	PNB MTG& RL#	NY-PNI	2437	18.77	0.88 ↑ JUN	1.08 9.88 X	-10.2	-8.1	9.1	8.9	-47.4	5.8	24.1
3	REALTY REFUND	NY-RRF	1377	18.01	1.88 JUL	1.88 15.63	-9.4	-25.6	8.3	12.0	-13.2	10.4	21.5
2	RLTY & MTG PAC	OC-RPACS	1890	18.00	1.28 AUG	1.16 12.88	0.0	4.0	11.1	9.9	-28.4	6.4	24.3
3N	SECURITY MTG	AS-SMO	6487	5.88	0.00 JUN	0.00 3.00	-22.7	0.0	0.0	0.0	-49.0	0.0	19.5
1	UNITED REALTY	AS-URT	3610	17.60	0.84 ↑ AUG	0.84 ↑ 8.63 X	-14.8	-12.7	10.3	9.7	-51.0	4.8	31.2
GROUP AVERAGE		3448	14.69	0.98		0.94 10.27	-8.5	-12.4	10.9	9.5	-30.1	6.4	456.8

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. AMERICAN EQUITY & ICM REALTY DIVIDENDS TRAILING 12 MONTHS. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. VJ-IN BANKRUPTCY REORGANIZATION. Y-CH. XI REORGANIZATION COMPLETED. Z-CH. XI PROPOSED OR POSSIBLE. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. CONTINENTAL MTG. EARNINGS FOR 2 MONTHS ENDED MAY 31, 1978 BEFORE RESULT OF INCLUDING OPERATIONS OF SUBSIDIARIES.

RELATIVE APPEAL	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON	ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
MTG & FORECLOSED PROPERTY-MISC SPONSOR															
3N	AMER CENTURY MI	NY-ACT	2607	5.35	0.00	JUN	0.17	3.50	-15.3	11.8	20.6	0.0	-34.6	3.2	9.1
2N	Y COLWELL MTG	OC-CLMTS	2030	2.90	0.00	JUN	6.12	2.00	-24.0	150.0	0.3	0.0	-31.0	211.0	4.1
3N	CONT ILL RLTY	NY-CIR	2797	1.64	0.00	JUN	0.00	3.13	-34.1	-3.7	0.0	0.0	90.9	0.0	8.8
3N	HEITMAN MTG	AS-HTM	3292	2.28	0.00	JUN	0.00	1.63	-27.6	8.7	0.0	0.0	-28.5	0.0	5.4
2N	MIDLAND MTG	NY-MMT	2382	0.18	0.00	JUN	0.18	2.50	-4.9	100.0	13.9	0.0	1288.9	100.0	6.0
2N	MISSION INV TR	AS-MIT	1812	4.88	0.00	AUG	0.00 ↓	3.25	-23.5	85.7	0.0	0.0	-33.4	0.0	5.9
2N	NORTH AMER MTG	NY-NAM	4401	8.45	0.00	JUN	0.00	3.63	-17.1	-3.2	0.0	0.0	-57.0	0.0	16.0
2N	WACHOVIA RLTY	NY-WRI	3335	9.82	0.00	AUG	0.00	5.00	-16.7	11.1	0.0	0.0	-49.1	0.0	16.7
GROUP AVERAGE			2832	4.44	0.00		0.81	3.08	-20.6	23.6	3.8	0.0	-30.6	18.2	72.0

PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)

4N	AMER REALTY	OC-ARB	2222	3.37	0.00	JUN	0.12	2.63	-12.3	126.7	21.9	0.0	-22.0	3.6	5.8
2N	BAY COLONY PROP	NY-BAY	3315	6.18	0.00	AUG	0.07	3.50	-28.3	27.3	50.0	0.0	-43.4	1.1	11.6
2N	C I REALTY #	NY-CIX	2609	16.67	0.00	AUG	0.48	13.25	1.9	24.6	27.6	0.0	-20.5	2.9	34.6
3N	CITIZENS GROWTH	OC-CITGS	811	6.82	0.00	APR	0.00	4.50	-10.0	157.1	0.0	0.0	-34.0	0.0	3.6
3N	FRANKLIN RLTY	AS-FR	999	7.91	0.00	JUN	0.32	5.63	0.0	9.7	17.6	0.0	-28.8	4.0	5.6
2N	SUMMIT PROP #	OC-SMPTS	1543	6.73	0.00	JUL	0.00	3.50	-26.3	-12.5	0.0	0.0	-48.0	0.0	5.4
2N	US REALTY #	NY-UTY	3434	3.98	0.00	JUN	0.32	5.75	-13.3	17.8	18.0	0.0	-44.5	8.0	19.7
3N	WALTER RLTY #	OC-WALJS	1035	7.47	0.00	JUL	0.67	4.75	-17.4	-9.5	7.1	0.0	-36.4	9.0	4.9
2N	WISCONSIN REIT	OC-WREIS	1514	4.85	0.00	JUN	0.03	2.38	-9.5	-38.7	79.3	0.0	-50.9	0.6	3.6
GROUP AVERAGE		1942	7.11	0.00	0.22	5.10	-10.5	16.4	22.8	0.0	-28.3	3.1	94.8		

MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT

2N	ALAMAND CORP	OC-ALAM	1355	0.59	0.00	APR	0.22	2.75	-8.3	68.7	12.5	0.0	366.1	37.3	3.7
2N	BARNETT-WINSTON	OC-BWITS	1663	-0.32	0.00	JUN	0.86	1.63	-51.8	85.2	1.9	0.0	-0.0	-0.0	2.7
5N	BUILDERS INV	OC-BULDS	2929	0.23	0.00	JUN	0.00	2.13	0.0	88.5	0.0	0.0	826.1	0.0	6.2
3N	CAPITAL MTG	PH-CMU	1675	-1.26	0.00	JUN	0.00	1.25	-23.3	54.3	0.0	0.0	-0.0	-0.0	2.1
4N	VJCONTINENTAL MTG	OC-CMI	20838	-3.73	0.00	MAY	0.07	0.32	-3.0	28.0	4.6	0.0	-0.0	-0.0	6.7
4N	COUSINS MGE	NY-CUZ	3854	0.99	0.00	MAY	0.00	3.00	-27.4	100.0	0.0	0.0	203.0	0.0	11.6
2N	DIVERSIFIED MTG	NY-DMG	7327	8.46	0.00	JUN	0.00	3.88	-24.4	47.5	0.0	0.0	-54.1	0.0	28.4
4N	VJDOMINION MGR	OC-DMRTS	639	-10.86	0.00	AUG	0.66	0.75	50.0	200.0	1.1	0.0	-0.0	-0.0	0.5
2N	EASTOVER CORP	OC-EASTS	1008	11.95	0.00	SEP	0.53	8.25	-13.2	57.1	15.6	0.0	-31.0	4.4	8.3
5N	FIRST MORTGAGE	OC-FMTCG	8495	-5.98	0.00	JUL	0.01	0.81	-31.9	44.6	81.0	0.0	-0.0	-0.0	6.9
4N	FIRST NEWPORT R	OC-FNRIS	2339	3.44	0.00	JUL	0.14	1.88	-6.0	30.6	13.4	0.0	-45.3	4.1	4.4
3N	FIRST VIR REIT	OC-FVM	1208	6.42	0.00	JUN	0.41	2.38	-32.0	58.7	5.8	0.0	-62.9	6.4	2.9
5N	VJGREAT AMER MGI	OC-GAA	4456	-12.99	0.00	APR	0.09	0.63	-28.4	152.0	7.0	0.0	-0.0	-0.0	2.8
3N	GROWTH RLTY	NY-GRW	2059	8.03	0.00	JUN	1.15	4.13	-29.8	18.0	3.6	0.0	-48.6	14.3	8.5
5N	VJGUARDIAN MTG	PH-GMI	3000	-14.42	0.00	MAY	0.27	1.00	-20.0	58.7	3.7	0.0	-0.0	-0.0	3.0
2N	HAMILTON INV	OC-HAMTS	2143	5.01	0.00	JUN	0.00	2.63	-16.0	39.9	0.0	0.0	-47.5	0.0	5.6
2N	INSTITUTIONAL	NY-INV	6074	2.98	0.00	JUL	0.33	2.00	-20.0	-16.0	6.1	0.0	-32.9	11.1	12.1
2N	KENTUCKY PROPTY	OC-KMTGS	1100	2.61	0.00	AUG	0.00	2.75	22.2	175.0	0.0	0.0	5.4	0.0	3.0
5N	Y LIFETIME COM	OC-LFTMS	6631	2.67	0.00	JUL	0.17	1.00	-50.0	122.2	5.9	0.0	-62.5	6.4	6.6
2N	LINCOLN MTG	OC-LNMGS	1155	0.88	0.00	JUN	0.18	2.38	-20.7	72.5	13.2	0.0	170.5	20.5	2.7
5N	VJMETROPLEX RLTY	OC-JMI	1184	-0.28	0.00	MAR	0.00	0.88	-29.6	57.1	0.0	0.0	-0.0	-0.0	1.0
3N	MTG INV WASH	OC-MINVS	2146	4.33	0.00	JUN	0.25	2.38	-26.8	-4.8	9.5	0.0	-45.0	5.8	5.1
4N	Y NATIONAL MTG	OC-NMF	3707	2.03	0.00	AUG	0.12	1.13	0.0	101.8	9.4	0.0	-44.3	5.9	4.2
5N	VJNJB PRIME INV	OC-NJB	1330	-7.15	0.00	AUG	0.00	1.88	7.4	506.5	0.0	0.0	-0.0	-0.0	2.5
5N	PLAZA REALTY	OC-PRISS	1114	0.80	0.00	JUN	0.12	1.06	-35.0	12.8	8.8	0.0	32.5	15.0	1.2
3N	REPUBLIC MTG	NY-RMI	2107	4.00	0.00	JUN	0.00	2.00	-24.0	-11.1	0.0	0.0	-50.0	0.0	4.2
1N	TEXAS FIRST MTG	OC-TFMRs	1055	8.00	0.00	JUN	0.05	3.88	-8.7	47.5	77.6	0.0	-51.5	0.6	4.1
2N	TIERCO	OC-TIERS	1170	6.49	0.00	JUN	0.57	2.50	-20.1	66.7	4.4	0.0	-61.5	8.8	2.9
4N	TRECO	OC-TRECS	2174	1.33	0.00	JUN	0.00	1.50	0.0	200.0	0.0	0.0	12.8	0.0	3.3
4N	UMET TRUST	NY-UIAT	2109	-3.46	0.00	AUG	0.00	1.75	-26.5	-41.7	0.0	0.0	-0.0	-0.0	3.7
2N	WESTPORT CO	OC-WSPTS	2388	4.22	0.00	JUL	0.00	2.44	-27.8	8.4	0.0	0.0	-42.2	0.0	5.8
GROUP AVERAGE		3240	0.81	0.00	0.20	2.16	-19.9	44.6	10.8	0.0	167.7	24.8	166.7		

MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR

5N	AMER FLETCHER M	OC-AFM	1352	0.30	0.00	JUL	0.42	2.38	-20.7	170.5	5.7	0.0	693.3	140.0	3.2
2N	CAMERON-BROWN	NY-CB	2016	7.05	0.00	JUN	0.00	3.38	-15.5	28.5	0.0	0.0	-52.1	0.0	6.8
5N	Z CHASE MAN MTG	OC-CMR	4886	-5.23	0.00	AUG	0.00	0.88	-22.1	-53.2	0.0	0.0	-0.0	-0.0	4.3
NR	CITINATL DEV	OC-CIT16	600	13.33	0.00	JUN	0.29	7.75	8.7	24.0	26.7	0.0	-41.9	2.2	4.7
5N	VJCITIZENS MTG	OC-CZM	1421	-17.02	0.00	JUN	0.00	0.25	-66.7	-13.8	0.0	0.0	-0.0	-0.0	0.4
3N	CITIZENS&SO RLTY	PS-CZS	3829	-1.53	0.00	JUN	0.31	1.25	-28.6	98.4	4.0	0.0	-0.0	-0.0	4.8
4N	CLEVERTRUST RLTY	OC-CTRIS	2525	10.38	0.00	JUN	0.00	4.75	-15.6	26.7	0.0	0.0	-54.2	0.0	12.0
2N	FIDELCO GROWTH	AS-FGI	1580	3.73	0.00	AUG	1.59	4.13	-5.7	83.6	2.6	0.0	10.7	42.6	6.5
2N	FIRST DENVER MI	OC-FDENS	1621	6.27	0.00	JUN	0.00	2.50	-37.5	11.1	0.0	0.0	-60.1	0.0	4.1
2N	FIRST MEMPHIS	OC-FMEMS	1156	4.59	0.00	MAY	0.18	3.25	3.8	116.7	18.1	0.0	-29.2	3.9	3.8
3N	FIRST PENN MTG	NY-FPM	2961	1.33	0.00	JUL	0.08	2.25	-14.4	28.6	28.1	0.0	69.2	6.0	6.7
3N	FIRST WISCONSIN	OC-FWMTS	1987	5.58	0.00	JUN	0.00	3.50	-22.2	75.0	0.0	0.0	-37.3	0.0	7.0
5N	INDEPENDENCE MT	OC-IMTGS	2500	-3.92	0.00	JUN	0.11	2.00	-11.1	203.0	18.2	0.0	-0.0	-0.0	5.0
2N	MARYLAND REALTY	OC-MDRTS	760	8.43	0.00	AUG	0.16	3.50	-15.3	0.0	21.9	0.0	-58.5	1.9	2.7
2N	NW FINANCIAL IN	OC-NFINS	1510	14.29	0.00	JUN	0.16	8.88	-24.4	20.3	55.5	0.0	-37.9	1.1	13.4
3N	TRI-SOUTH MTG	NY-TSI	2260	1.85	0.00	JUN	0.00	2.38	-29.6	58.7	0.0	0.0	28.6	0.0	5.4
GROUP AVERAGE		2060	3.09	0.00	0.21	3.31	-16.5	35.6	16.1	0.0	7.3	6.7	90.8		

MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS

2N	ATLANTA NATL	OC-ATNAS	1273	9.00	0.00	AUG	0.00	5.00	-11.2	47.9	0.0	0.0	-44.4	0.0	6.4
3N	BARNES MTG INV	OC-BARNS	1910	11.10	0.00	JUN	0.00	2.75	-31.3	0.0	0.0	0.0	-75.2	0.0	5.3
4N	CI MTG GROUP	PH-CI	4812	-3.32	0.00	JUL	0.00	2.50	17.4	262.3	0.0	0.0	-0.0	-0.0	12.0
2N	GMR PROP	NY-GMR	2210	3.73	0.00	AUG	0.00	2.75	-12.1	29.1	0.0	0.0	-26.3	0.0	6.1
4N	IDS REALTY	OC-IDR	2409	3.73	0.00	JUL	0.65	2.25	-14.4	33.9	3.5	0.0	-39.7	17.4	5.4
3N	SOUTH ATLANTIC	NY-SAT	2706	2.93	0.00	JUL	0.08	3.75	-11.8	42.6	46.9	0.0	28.0	2.7	10.1
3N	STATE MUTUAL	NY-SMU	2786	7.89	0.00	SEP	0.59	4.38	-14.6	20.7	7.4	0.0	-44.5	7.5	12.2
GROUP AVERAGE		2587	5.01	0.00	0.19	3.34	-13.1	38.4	17.7	0.0	-33.3	3.8	57.5		

PREFERRED STOCK & REIT FUNDS

NR	COLWELL PFD	OC-CLMTP	2149	7.50L	0.00	JUN	6.12	2.50	0.0	0.0	0.4	0.0	-66.7	81.6	5.4
NR	RET INCOME	AS-RET	3794	2.71N	0.00	JUN	0.08	2.25	0.0	0.0	28.1	0.0	-17.0	3.0	8.5
NR	RET-54.38 PFD	AS-RETPR	575	51.63C	4.38	---	0.00	44.50	0.0	0.0	0.0	9.8	-13.8	0.0	25.6
NR	S-G SECURITIES	AS-SGO	1425	1.98N	0.00	JUL	0.00	2.25	0.0	0.0	0.0	0.0	13.6	0.0	3.2
NR	S-G \$1.70 PFD	AS-SGOFP	660	21.15C	1.70	---	0.00	15.50	0.0	0.0	0.0	11.0	-26.7	0.0	10.2
NR	TRECO-PFD A I	OC-N/A	768	1.00L	0.00	---	0.00	1.18M	0.0	0.0	0.0	0.0	18.0	0.0	0.9
NR	TRECO-PFD AII	OC-N/A	260	1.00L	0.00	---	0.00	0.25	0.0	0.0	0.0	0.0	-75.0	0.0	0.1
GROUP AVERAGE			1376	12.42	0.87		0.89	9.78	0.0	0.0	11.0	8.9	-21.3	7.1	53.9

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	64.50	10.9	-5.0	13.54	3.50
AMER CENTY'B	NY	'91	6.75	28.00	62.00	10.9	-4.5	17.36	3.50
AMER REALTY	OC	'84F	7.00	10.40	63.00	DEF	8.6	6.55	2.63
BAIRD&WARNER	OC	'91	6.75	21.00	66.00	10.2	-1.4	13.86	8.00
BANKAMERICA	OC	'90	6.75	21.00	82.00	8.2	0.0	17.22	11.50
BENEF STD MI	OC	'91F	6.50	27.75	58.00	11.2	1.8	16.09	2.75
CAPITAL MTG	OC	'91F	6.50	33.00	57.00	11.4	0.0	18.81	1.25
CHASE MANHTN	OC	'96F	6.50	55.00	28.00	DEF	-12.4	15.40	0.88
CHASE MANHTN	OC	'97	11.63	2.25	39.00	29.8	-27.7	0.87	0.88
CONN GENERAL	NY	'96	6.00	32.50	69.00	8.7	-5.2	22.42	18.63
CONTINTL MTG	OC	'90	6.25	19.79	27.00	VJ	1.9	5.34	0.32
EQUITBL LF M	NY	'90	6.75	26.25	80.00	8.4	-4.1	21.00	18.75
FIRST NEWPT	OC	'91F	6.75	27.50	46.00	14.7	-4.1	12.65	1.88
FIRST PENN M	OC	'91F	6.75	26.00	55.00	12.3	0.0	14.30	2.25
FIRST UNION	NY	'91	7.00	13.00	88.00	8.0	-2.1	11.44	11.50
FRANKLIN RLY	AS	'89	7.00	10.00	78.00	9.0	-0.5	7.80	5.63
GRT AMER MI	OC	'91	7.00	35.50	19.00	VJ	18.8	6.74	0.63
HANOVER SQ R	AS	'92	7.25	21.00	80.00	9.1	0.0	16.80	6.63
HEITMAN MTG	AS	'92	7.50	14.70	63.25	11.9	-1.8	9.29	1.63
HOTEL INVSTR	OC	'90	7.75	21.00	88.00	8.8	-1.0	18.48	18.88
HOTEL INVSTR	OC	'91	7.50	25.25	80.00	9.4	-4.7	20.20	18.88
LINCOLN MTG	OC	'90	8.00	11.00	69.00	11.6	4.5	7.59	2.38
MASSMUTL MTG	NY	'90	6.75	21.00	80.50	8.4	-3.5	16.90	14.25
MASSMUTUAL M	NY	'91	6.25	33.50	78.50	8.0	0.6	26.29	14.25
MIDLAND MTG	OC	'86	7.00	16.67	54.00	13.0	1.9	9.00	2.50
MONY MTG IN	NY	'90	7.00	11.00	88.50	7.9	-0.5	9.73	8.88
MTG INV WASH	OC	'90	8.00	15.00	68.00	11.8	9.7	10.20	2.38
NJB PRIME	OC	'91F	6.75	21.00	45.00	VJ	-4.2	9.45	1.88
NOWSTRN MUTL	NY	'91	6.00	21.00	73.00	8.2	-2.6	15.33	10.88
RAM PACIFIC	OC	'91	6.75	21.00	74.00	9.1	0.0	15.54	12.88
REALTY INCOM	AS	'91	8.00	18.00	78.00	10.3	-4.8	14.04	12.25
REPUBLIC MI	NY	'90	9.00	19.00	95.38	9.4	2.4	18.12	2.00
SAUL (BF) RL	OC	'91	6.50	23.00	66.00	9.8	-0.7	15.18	5.75
SAUL(BF) REI	OC	'90	8.00	15.50	75.00	10.7	-1.9	11.62	5.75
STATE MUTUAL	AS	'91	6.75	21.00	68.00	9.9	0.0	14.28	4.38
SUTRO MIT	NY	'82	6.75	20.00	85.00	7.9	-0.2	17.00	9.50
SUTRO MTG	AS	'91	6.75	20.00	68.50	9.9	-11.1	13.70	9.50
TRI-SO / SR	PH	'88	10.00	2.50	105.00	9.5	-15.9	2.62	2.38
TRI-SOUTH MI	NY	'92F	7.00	29.50	63.38	DEF	-13.1	18.69	2.38
US BANCORP	AS	'92	7.00	26.25	73.00	9.6	-2.9	19.16	14.88
US REALTY IN	NY	'89	5.75	20.20	64.00	9.0	-3.3	12.92	5.75
WESTPORT CO	OC	'91F	6.75	21.00	62.00	10.9	0.0	13.02	2.44

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ-IN BANKRUPTCY REORGANIZATION. F-TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF-IN DEFAULT.

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.09	2.75	630.5	-30.7	0.2
CAPITAL MTG	O-QMORW	11/79	471	16.59	1.0	0.01	1.25	1228.0	0.0	0.0
CITIZENS&O-B	O-CZSS	4/83	258	2.00	50.0	7.00	1.25	71.2	-29.9	1.8
FLATLEY RLTY	O-FLTLW	5/79	1000	10.00	1.0	0.25	4.00	156.3	0.0	0.3
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	1.00	15.00	40.0	-19.9	0.5
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.31	9.25	43.9	24.0	0.2
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.06	2.38	532.8	0.0	0.1
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.13	14.25	125.5	-13.2	0.1
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.06	3.63	759.2	-62.4	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.03	2.00	901.5	-49.9	0.0
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.63	16.38	56.5	-15.9	0.8
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.06	3.00	435.3	0.0	0.2
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	1.00	9.50	121.1	-33.2	0.7
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.13	8.63	133.3	-31.5	0.5

*DEBENTURES USABLE IN LIEU OF CASH.

NON/LOW EARNING INVESTMENTS AS OF OCTOBER 24, 1978

	Number	Non/Low-Earn.	Total	% Non- and low-earning	% Change in month
PROPERTY.....	31	\$ 89M	\$ 2,015M	4%	-3.6%
PROPERTY & MTG.....	24	499	1,954	26	-4.0
SHORT/TERM MTG.....	11	166	707	24	+0.2
L/T MTG/PROPERTY....	13	297	1,759	17	-0.0
MTG/FORECLOSED PROP.	62	4,647	6,356	73	-3.2
TOTALS/AVERAGES....	141	\$5,699M*	\$12,790M	45%	-3.1%

* Includes \$953M or 7.4% low-earning assets.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. **Book value per share** is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

EARNINGS TRENDS: SEVENTEEN TROUBLED TRUSTS IN BLACK AS EARNINGS/CASH FLOW STAND UP

So far trust earnings and cash flow are standing up to this cyclical rise in interest rates. Fourteen of 18 qualified (and generally untroubled) trusts were in the black in their latest quarters while 17 of 25 nonqualified (generally troubled) trusts were also on the plus side. Special items continue to boost net income.

No. 1-ranked Connecticut General M&R had a good Sept. quarter as funds available for distribution reported by the trust rose 8% to 50¢/sh. before a 6¢/sh. gain on asset sales. Good gains in net rental income convinced trustees that a dividend boost was called for (see p. 3). Reported EPS continues to fall under impact of higher depreciation charges (see RTR, July 28). CGM committed \$32.3 million to seven new equity investments in the quarter. CGM has virtually no short-term debt and its main challenge is to find equities earning more than the 8-3/4% cost of most long-term debt funds.

Wells Fargo M&E also continued its string of earnings gains in Sept. with a 42¢/sh. net that included 15¢/sh. asset sale gains. WFM's balance sheet is opposite to that of CGM with some \$115 million commercial paper floating with money market rates. But about 60% of matching construction loans also float with prime and haven't touched usury ceilings yet, so a 1% prime rate rise potentially would cut quarterly earnings by about 3¢/sh. So far WFM has been able to offset rising rates by reducing nonearning assets but coming quarters may be tougher simply because it has few remaining idle assets. This restrains our enthusiasm for these No. 3-ranked shares.

U.S. Bancorp R&M extended its strong rebound as EPS came in at 28¢/sh. in Aug., up 40% from the prior quarter before special gains. Net cash flow was 44¢/sh., up 19% from operating CFS in the prior quarter. The dividend was jumped (p.3). Non-earning assets were halved in the last two quarters to below 8% of total assets and two pending sales would halve today's to-

tal. The trust is pushing aggressively to expand its industrial park and office holdings in the Pacific Northwest and expects to reduce mortgage holdings further.

No. 2-ranked Investors Realty Trust also a net cash-flow trust, was 18¢ on the positive side in the Aug. quarter, far above nominal gains of a year ago but down from the prior quarter which benefitted by some special items. IRT is moving ahead with talks to merge with Summit Properties and boards of both trusts are going ahead with asset valuations to determine a fair and as-yet unannounced merger formula.

Northwestern Mutual Life M&R, ranked No. 1, reported a Sept. quarter up 6% and 13% from the previous and year-ago quarters respectively. There were no asset sale gains in the quarter and nonearning investments fell to 13% of assets, mainly on sale of a Columbus, O. office building. It replaced \$10 million floating-rate debt with a one-year fixed rate bank loan, reducing interest rate exposure. NML boosted unfunded short-term loan commitments by \$31 million to \$97 million at quarter-end.

MONY Mtg. Inv., ranked No. 3 average, reported at its annual meeting that it was about on schedule in its goal of bringing book earnings (17¢ in Aug.) up so they can support the present 23¢/qtr. dividend. New interim and construction loans must be generated at about \$25 million a quarter and interest rates must remain reasonably stable to reach that goal.

Mortgage Trust of America, ranked 2N because it hasn't resumed dividends, had a strong 14¢/sh. August quarter including 9¢ collection of back interest and 6¢ reversal of loss reserves. Nonearning assets fell slightly. MT signed a new credit with 11 banks, repaying 14 other banks at the same time. The agreement calls for liquidation of existing bank debt over 2½ years but lets the trust make up to \$20 million new investments on a revolving basis to mature May 31, 1982. It frees \$7 million previously held as compensating balances and let MT cut bank debt to \$14 million by quarter-end. This was cut by another \$9.7 million when MT received full payment of a Washington, D.C. hotel loan.

(Turn page)

New Earnings Reports

Trust-Period ended	-Latest Q-Th.\$-	-Latest Q-EPS---	-Earnings/sh.-		-% Chng. From**-	
	Earn/Spcl.Item#	Earn/Spcl. Items#	Prev.Q	Yr.agoQ	Prev.Q	Yr.agoQ
Quarterly results: Qualified trusts:						
API Trust.....June..\$	327/ 363G	\$0.32/0.36G	\$-.55a	\$0.03	Better	Worse
Baird & Warner.....July..	d242/ 56G	d0.23/0.05G	d0.08	0.28a	Worse	Worse
Conn. Gen. M&R.....Sept..	1,705/ 326G	0.29/0.06G	0.30	0.39		
" ".....Sept..p3,202/	326GNCF	0.56/0.06G NCF	0.52a	0.52a	+ 8	+ 8
Consol. Capital.....Aug...	d381	d0.19	d0.07	+0.93a	Worse	Better
Hotel Investors.....Aug...	462	0.29	0.37	0.28	-22	- 3*
Investors Realty.....Aug...	167	0.12	0.30a	d0.14	-37*	Better
" ".....Aug...	287/ NCF	0.18 NCF	0.37a	+0.00	Worse	Better
Lomas & Net. Mtg.....Sept..	1,774	0.48	0.45	0.40	+ 7	+20
M&T Mortgage.....Aug...	455	0.31	0.28	0.27	+11	+15
Miller (Hen.S.).....Aug...	1,313/697G & 500X	2.34/1.24G & 0.89X	0.30a	0.15	-30*	+40*
Mission Inv. Tr.....Aug...	d 8	d0.005	0.05a	d0.05	Better*	Better*
Mtg. Tr. Amer.....Aug...	542/359R & 225Y	0.14/9cR, 6cY	0.48b	d0.19	Better*	Better*
NW Mut. Lf. Mtg.....Sept..	805	0.17	0.49a	0.30a	+ 6*	+13*
PNB Mtg. & Rlty.....Sept..	597	0.24	0.23	0.29a	+ 4	+26*
Prudent Real Est.Aug...	584/512G	0.18/0.16G	0.01	d0.03	Better	Better
United Realty.....Aug...	761	0.21	0.20	0.20	+ 5	+ 5
U.S. Bancorp Tr.....Aug...	231	0.28	0.48a	0.04	+40*	+600
Wauhovia Realty.....Aug...	d346	d0.10	d0.18	d0.18	Better	Better
Wells Fargo M&E.....Sept..	1,651	0.42	0.34a	0.31a	+24	+35
Quarterly reports: Nonqualified business trusts:						
Amer. Fletcher M.July..	567/1565S	0.42/1.16S	0.67b	d0.66	Worse*	Worse*
Atlanta Nat.RE.....Aug...	d 17	d0.01	0.24b	d0.41	Worse	Better
Bay Colony Prop.....Aug...	241/841G & 380I	0.07/26cG, 11cI	d0.07	d0.01a	Better	Better
Chase Man. M&R.....Aug....d4,	716/ 778G	d0.97/0.16G	d1.26	+0.39b	Better	Better
C.I. Realty Inv.....Aug....	d223	d0.09	d0.08	d0.13	Worse	Better
Cit. & So. Rlty.....June..+6,	113/10150S&R	+1.60/2.65S&R	d0.20	+2.20	Better	Better
Dominion M&R.....Aug....	419/ 263G	0.66/0.41G	0.24	d0.50	+ 4*	Better
Eastover Corp.....Sept..	543/ 401Y	0.53/0.40Y	0.46b	d0.20	+225*	Better
Fidelco Growth.....Aug....	2,515/1580I & First Mtg. Inv.....July..	1.59/1.00I & 97cS 0.01/0.01N&S	0.19b 0.02	d2.33 d2.33b	Better*	Better*
First Penn Mtg.....July..	44	0.02	d0.64	d2.28	Better	Better
First Vir. Mtg.....June..	488/2200N	0.41/1.82N	0.22	1.54b	Worse	Worse
QMR Properties.....Aug....	d 4/ 343S	d0.00/0.16S	d0.12	d0.18b	Worse*	Better*
IDS Realty.....July..	1,556/2578Y & 747N	0.65/1.07Y & 31cN	0.54b	0.47b	+20	+38
Independence Mtg.June..	264/338G,314Y	0.11/14cG, 13cY	d0.01	0.09b	Better	+22
Kentucky Prop.....Aug....	d 62	d0.06	1.05b	d0.27	Better*	Better
Lifetime Comm.....July..	1,124/629G,548N	0.17/9cG, 8cN	0.09	0.42b	-11*	-71*
Maryland Realty.....Aug....	121/ 45G	0.16/0.06G	0.13b	0.05	+150*	+100*
National Mtg.....Aug....	116	0.03	0.04b	0.03b	Better*	Better*
NJB Prime Inv.....Aug....	d734	d0.55	d0.52b	+0.34	Better*	Worse
Plaza Realty.....June..	129/ 250Y	0.12/0.22Y	d0.15	d0.21	Better	Better
State Mut. Inv.....Sept..	635/310N	0.23/0.11N	0.06	d0.15	+283	Better
Summit Props.....July..	d241/155G	d0.16/0.10G	d0.03a	d0.03a	Worse	Worse
UMET Trust.....Aug....d1,	515/285I	d0.72/0.13I	d2.16a	d0.37a	Better	Worse
Walter Realty.....July..	695/1049G	0.67/1.01G	d0.40	d1.70	Better*	Better*
Annual results: All trusts						
Atlanta Nat. RE.....Aug....	74	0.07	d1.51	---	---	Better
Baird & Warner.....July..	d974/ 56G	d0.93/0.05G	+0.38/0.33G	---	---	Worse
Cit. & So. Rlty.....June..	8,783/15847S&R	+0.33/0.60S&R	No comp.-FY change	---	---	---
First Penn. Mtg.....July..	d6,163/4245R	d2.08/1.43R	d5.02	---	---	Better
First Vir. Mtg.....June..	d4,293/2200N,109G	3.54/1.52N,9cG	d0.39/2.27X	---	---	Better
Hotel Investors.....Aug....	2,181	1.40	1.20/0.27chg.	---	---	- 5*
Independence Mtg.June..	d 37/1912Y,184G	d0.01/76cY,7cG	d0.03/1.12Y,15cG	---	---	Better
M&T Mtg. Inv.....Aug....	1,673	1.13	1.08	---	---	+ 5
PNB Mtg. & Rlty.....Sept..	2,081	0.85	0.77/0.10G	---	---	+27*
Wachovia Realty.....Aug....	d2,481	d0.74	d1.04	---	---	Better
Walter Realty.....July..	d1,280/1049G	d1.24/1.01G	d3.57	---	---	Better

UC=Unchanged. NM=Not meaningful. r=Restated. p=Preliminary. d=Deficit.

#--Special items shown in both thousand dollars and share amounts as: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser, sponsor or insurance company; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers.

** Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

* Compared before special items.

a--Gains or losses on asset sales in share results for previous and year-ago quarters are: API, 50c/sh. loss in previous qtr.; Baird & War., 33c gain in year-ago qtr.; Consol.Cap., \$1.20 gain in year-ago; Mission, 12c gain in prev.; NW Mut., 33c gain in prev. & 15c gain in year-ago; PNB Mtg., 10c in year-ago; Sutro, 15c in prev. & 12c in year-ago; U.S.Bancorp., 29c gain in prev.; Wells Fargo, 7c in prev. & 8c in year-ago; Bay Colony, 36c gain in year-ago; Summit, 10c in prev. & 5c in year-ago; UMET, 52c in prev. & 13c in year-ago.

b--Asset swap gains, tax benefits from net operating losses (NOL), and gains from early retirement of debentures at discounts via tenders in previous and year-ago qtrs. are: Mtg. Tr. Amer., 42c interest forgiven in prev. qtr.; Amer. Fletcher, 59c inter. forgiven in prev.; Atlanta Nat., 11c inter. forgiven & 2c NOL benefit in prev.; Chase Man., \$1.62 swap gains in year-ago; Eastover, 42c loss reserve credit in prev.; Fidelco, 62c swap gains and 14c interest recovery in prev.; First Mtg., 33c taxloss benefit & swap gains in year-ago; First Vir., \$2.27 insurance settlement in year-ago; GMR Prop., 10c swap gain in year-ago; IDS Rlty., \$1.07 loss reserve credit & 31c taxloss benefit in prev., and \$1.00 loss reserve credit & 26c taxloss benefit in year-ago; Independence, 15c sale gain & 19c loss reserve credit in year-ago; Kentucky Prop., 69c swap gain and 44c loss reserve credit in prev.; Lifetime Comm., 14c sale gain in year-ago; Maryland Rl., 13c insurance settlement in prev.; Nat. Mtg., 8c swap gain in prev. & 10c swap gain in year-ago; NJB Prime, 24c loss reserve credit in prev. qtr.

Earnings trends - continued from p.7

One sour note came from Baird & Warner Mtg. & Rlty., ranked 3N-no dividend now because it omitted its payout after reporting losses for the July quarter and year. Most red ink stemmed from additions to the loss reserve mandated by accounting opinion FAS 15 requiring trusts to write down properties foreclosed after Dec. 31, 1977 to the lower of cost or market value. Baird added 38c/sh. to reserves to provide for value reductions in properties in process of foreclosure. Total loss provisions were 19c/sh. in the July quarter and 96c/sh. in the year. Property investments advanced to 37% of total assets and a \$1.8 million foreclosed industrial property was sold after the quarter-end, further reducing non-earning assets.

Big gains on property sales continue to pepper earnings reports. UMET Trust sold its prime South Bay Shopping Center in Redondo Beach, CA for a 71c/sh. gain, to be reported in the Nov. quarter. The sale also lets the trust reverse about \$1.47/sh. accrued interest and reduces interest on remaining \$63.8 million bank debt to the prime rate. But the trust will still have over \$1/sh. negative equity after cashing these gains and remains No. 4N. Realty Income Trust, also striving to get its portfolio back on a solid paying basis, sold its interest in Hilton Inn and 3200 West Market office in Akron, O. for 29c/sh. gain in its Oct. quarter. It is also set to close sale of a major land parcel for about \$3.66/sh. gain if completed (RTR, Oct. 13).

Rounding out the sales gain picture was Walter Realty's picking up of a \$1.01/sh. contingent gain on sale of industrial properties in its July quarter. In addition it sold a Compton, Cal. industrial building for another 42c/sh. in Oct. quarter. Among non-dividend payers, IDS Realty returned to positive shareholders' equity by closing tender for subordinated debt at 80% of par and getting \$7.80/sh. cash payment from sponsor.